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Director of Central Intelligence

# NATIONAL INTELLIGENCE DAILY

Tuesday, 27 March 1990



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USSR:

# Lithuanian Situation Report

*The Soviet Government has stepped up its campaign of pressure on Vilnius by seizing soldiers who have left their units and additional buildings, preparing to tighten access to the republic, and encouraging anti-independence forces there to compel the Lithuanians to pursue independence on Moscow's terms.*

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Soviet paratroopers stormed hospitals in Vilnius early this morning, seizing and beating two dozen soldiers who had fled the Red Army after Lithuania declared itself independent. In Kuanas, Soviet troops took control of another hospital set up for soldiers who had left their units. A Lithuanian official said Soviet paratroopers yesterday took over the Communist Party building in the port of Klaipeda and placed it under the command of the town's party secretary, an ethnic Russian. President Landsbergis said Soviet soldiers had surrounded the university in Kaunas.

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[REDACTED]

President Landsbergis has suggested he may travel to Moscow for talks with President Gorbachev next week. Deputy Prime Minister Ozolas met with Soviet military officers to investigate complaints of harassment of soldiers. Yesterday evening Ozolas told the Western media that "the crisis" had passed. [REDACTED]

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b3 { The seizure of soldiers who have left their units is the first violent action by Soviet forces in Lithuania. The news of the incidents may bring out angry Lithuanians and could increase the chances of a violent confrontation with pro-Soviet demonstrators. Moscow almost certainly hopes that the staged rally today in front of the parliament building will serve to demonstrate its ability to influence events inside Lithuania. [REDACTED]

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### Former Lithuanian Resistance Fighters Emerge

As part of Moscow's intimidation campaign against Lithuania, Soviet commentators have expressed outrage that participation in the post-World War II anti-Moscow resistance movement was critical in the success of some Lithuanian independence movement leaders in recent republic elections. Recent press articles have highlighted crimes committed during the resistance struggle by several Lithuanian legislators.

Underground resistance and guerrilla warfare against the Soviet regime received widespread support in Lithuania from the time the Nazis retreated in 1944 until KGB troops, forced collectivization, and massive deportations ended it in 1952. Soviet sources estimate some 20,000 on each side died in the fighting. Official Western assistance was limited during the armed resistance, but American-born Lithuanians did return to help.

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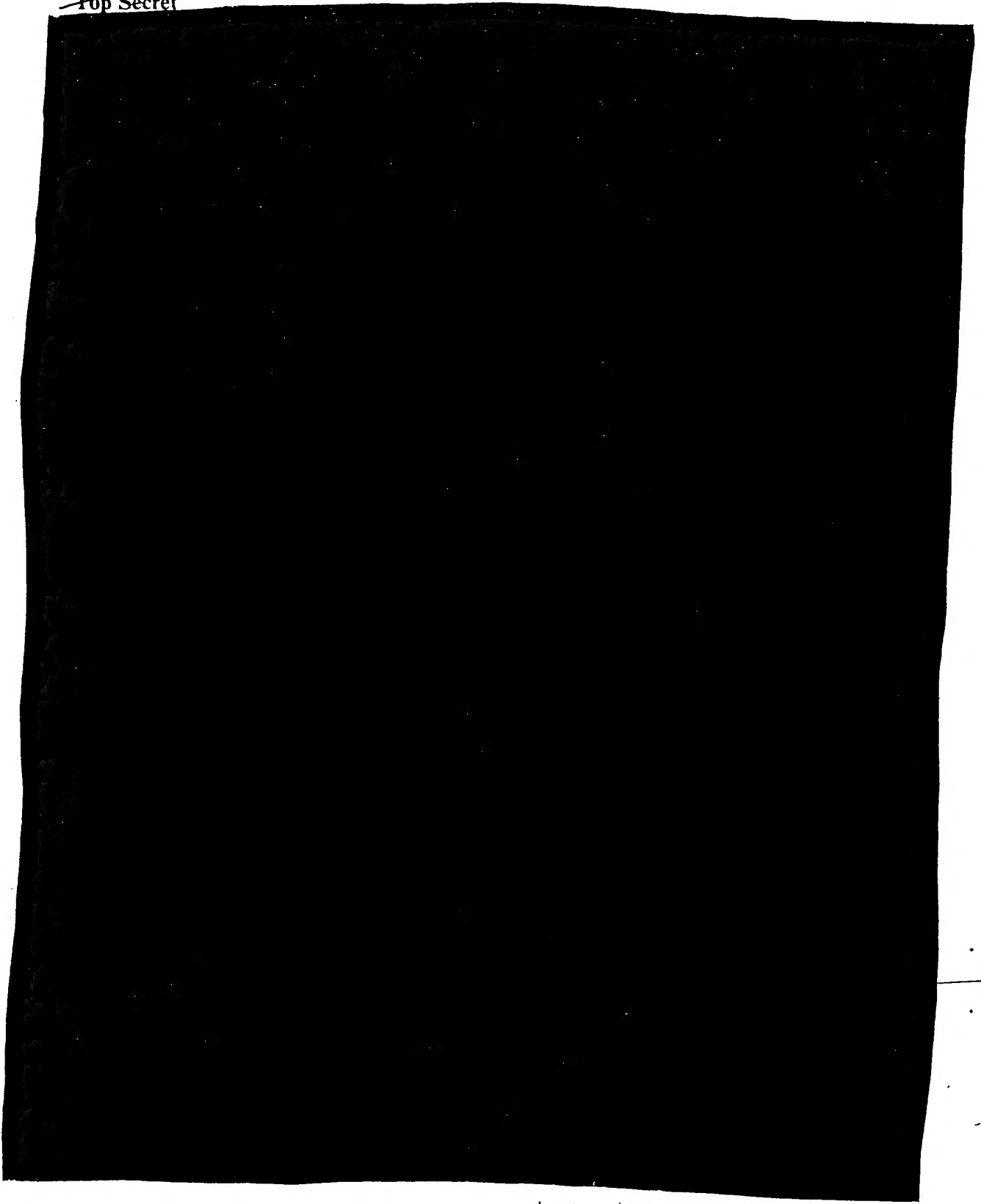
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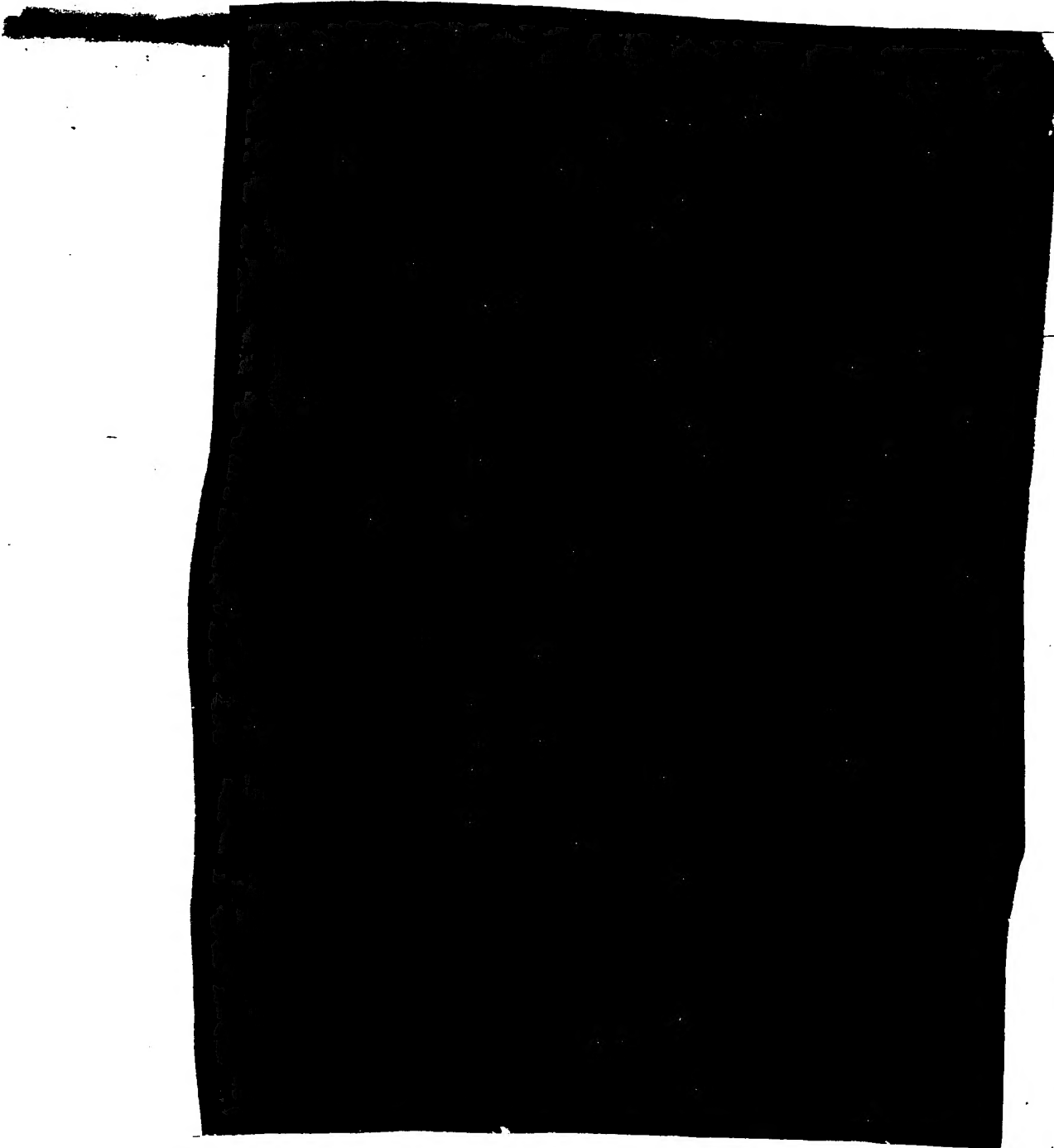
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COLOMBIA:

Candidate's Murder a Blow to Barco

*The murder last week of leftist presidential candidate Bernardo Jaramillo has put the Barco administration on the defensive and may weaken the credibility of the May presidential election.*

Responding to charges by Jaramillo's Patriotic Union (UP) of government complicity in human rights violations against leftists, President Barco on Sunday replaced Government Minister Carlos Lemos with left-leaning Liberal Party Senator Horacio Serpa. Barco had earlier refused Lemos's offer to resign and publicly expressed support for him, but Lemos's remarks on the eve of Jaramillo's murder accusing the UP of links to Marxist guerrillas prompted widespread calls for his ouster. The government has blamed drug trafficker Pablo Escobar for the murder.

Public outrage over the assassination has been vented in protest marches, labor strikes, and violent clashes between Jaramillo's supporters and police. Security forces remain alert for renewed disturbances, including possible guerrilla attacks in the countryside.

Opposition groups ranging from the UP to the center-right Social Conservative Party have suspended campaigning and have sought postponement of the election for security reasons. The government has denied the request, and presidential frontrunner Cesar Gaviria—who won official nomination at Sunday's Liberal Party convention—says the election schedule is obligatory under the Constitution.

The UP may be reconsidering its decision to boycott the election but has no suitable replacement for Jaramillo. Rightwing violence against the UP and the party's poor showing in legislative and municipal elections this month have aggravated an internal struggle between his moderate faction and Communist hardliners.

Barco probably hopes removing Lemos—a staunch supporter of his antinarcotics strategy—will quiet protests and opposition calls for postponing the election. The assassination will force the government quickly to improve security for the candidates. Even if the main opposition Social Conservatives participate in the election, a boycott by the left would tarnish its legitimacy.

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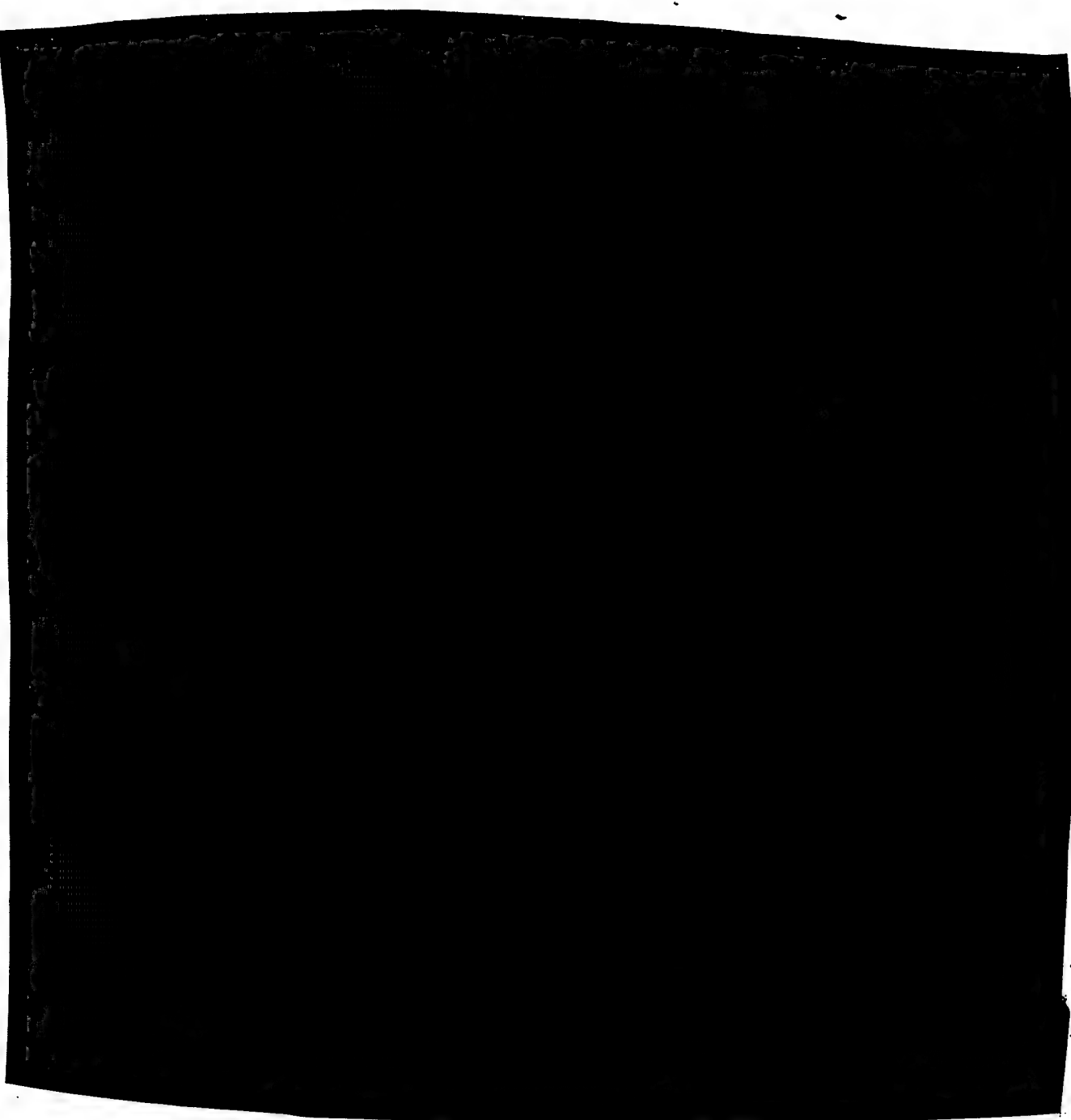
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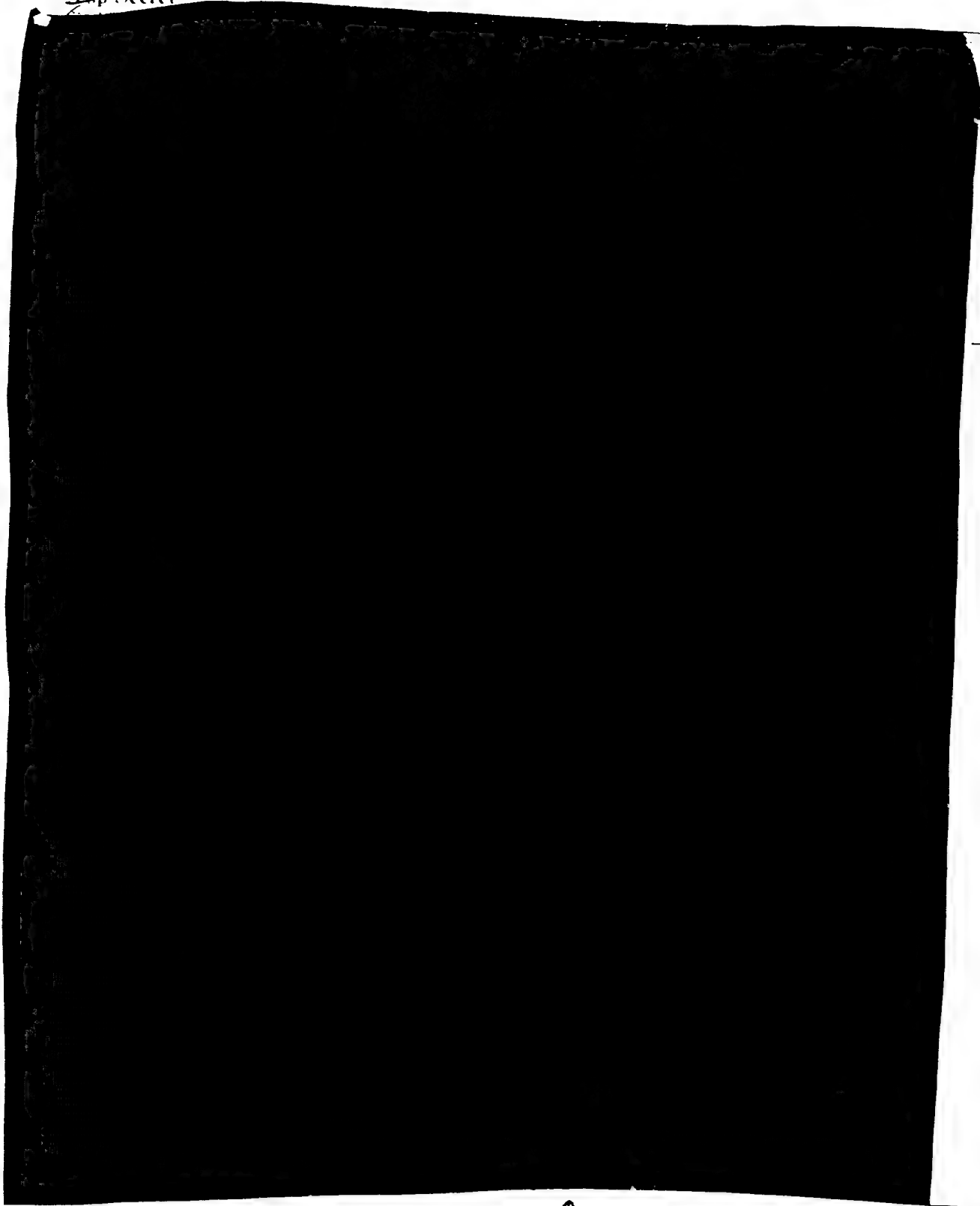
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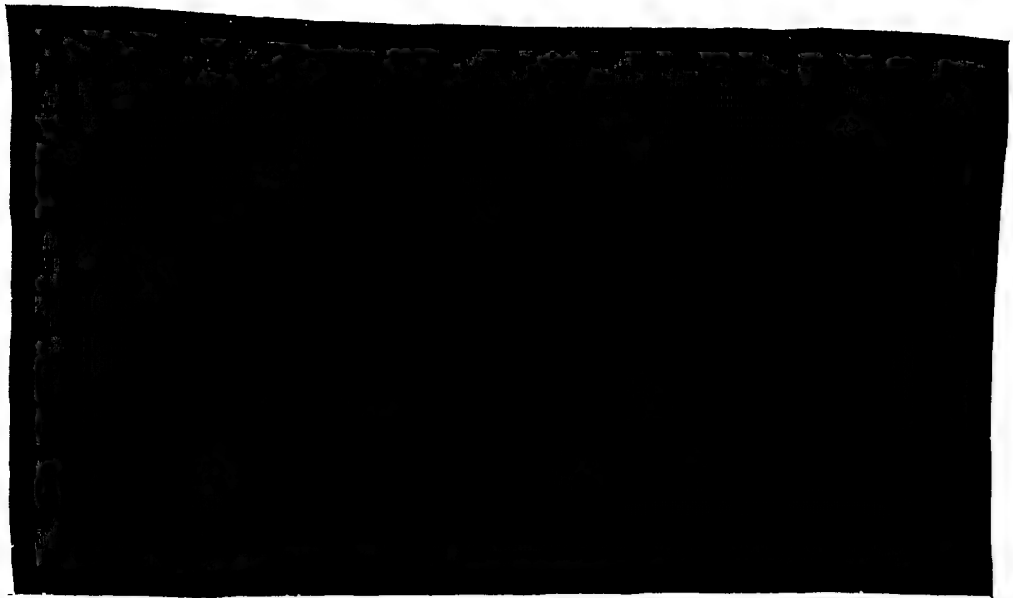
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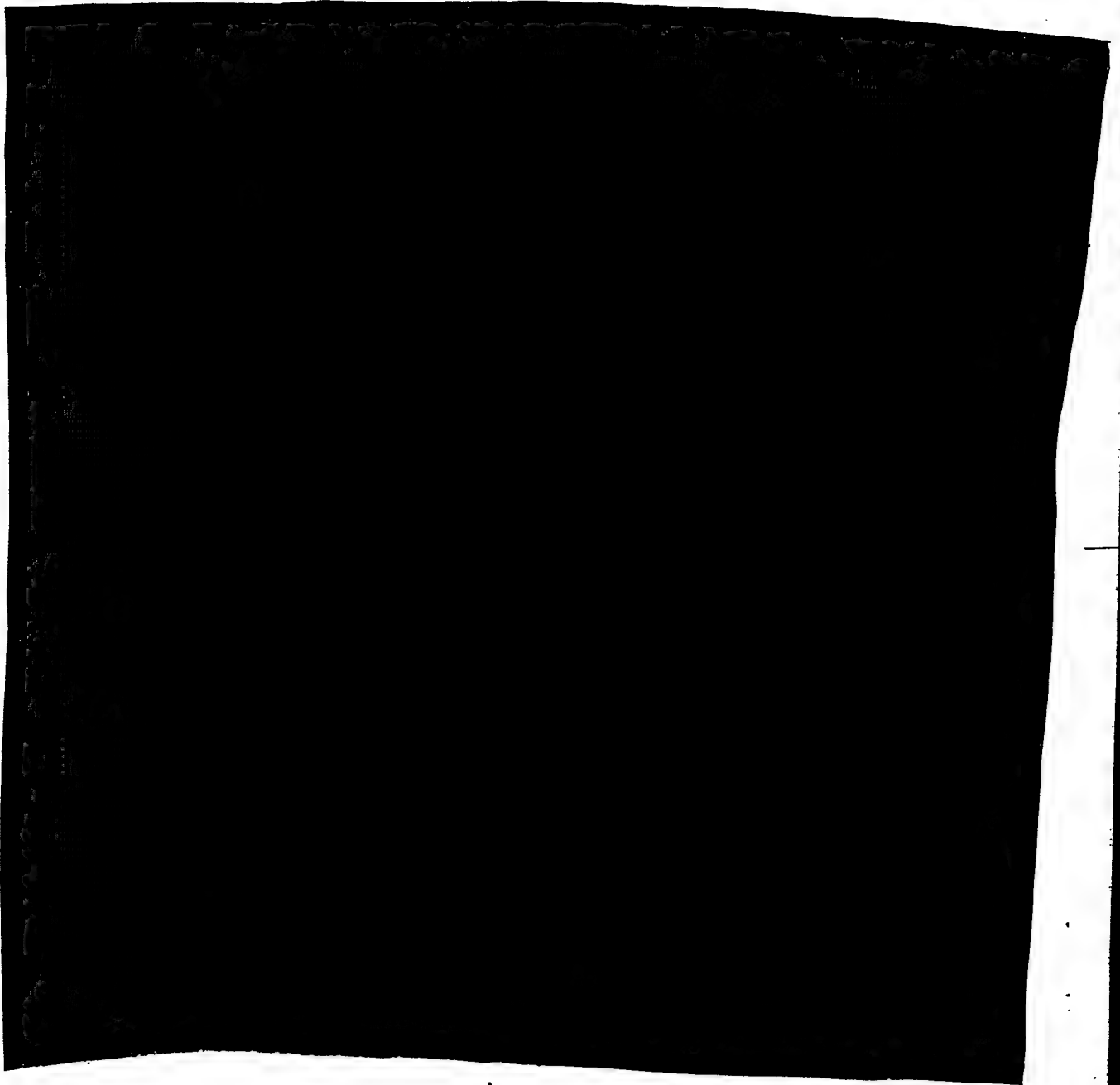
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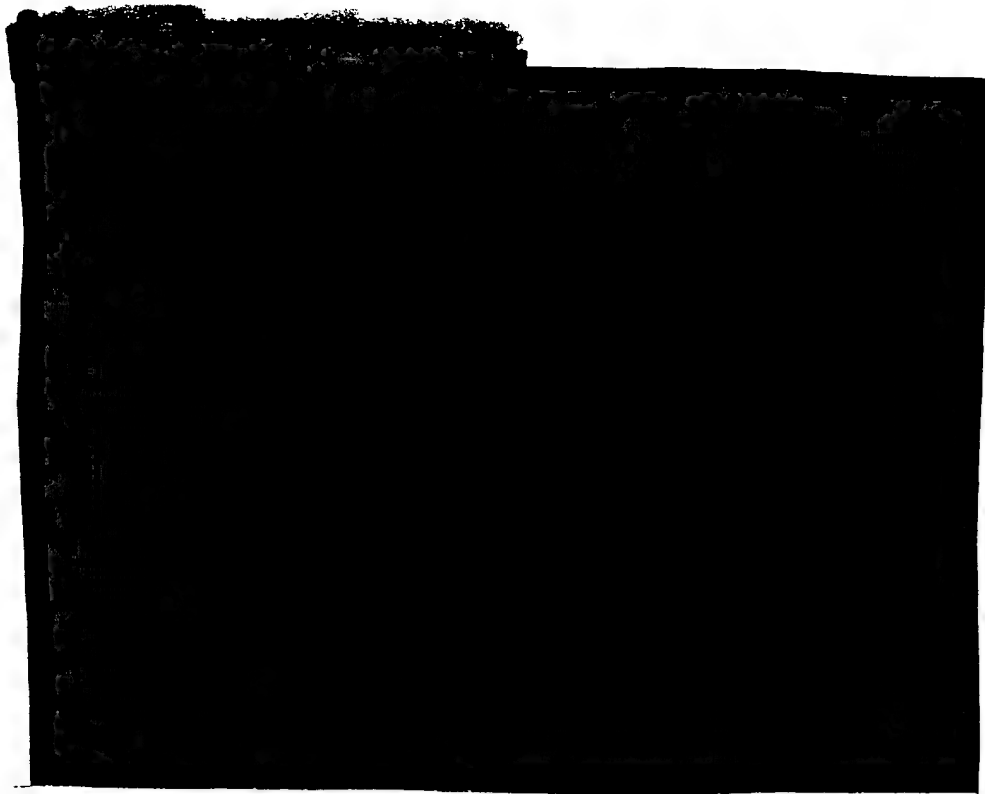
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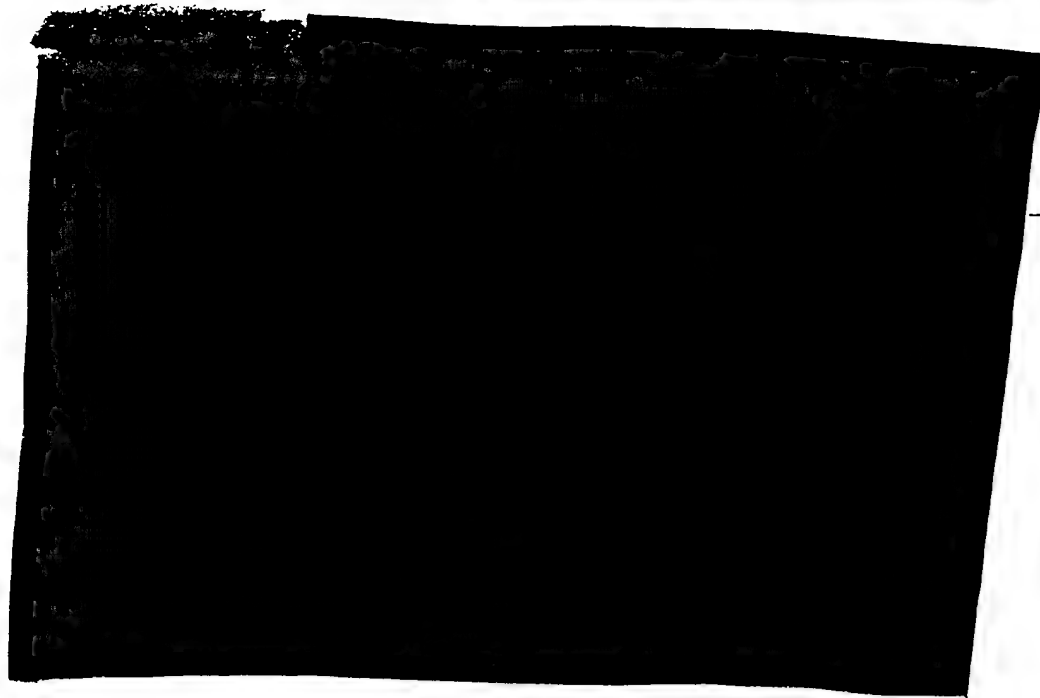
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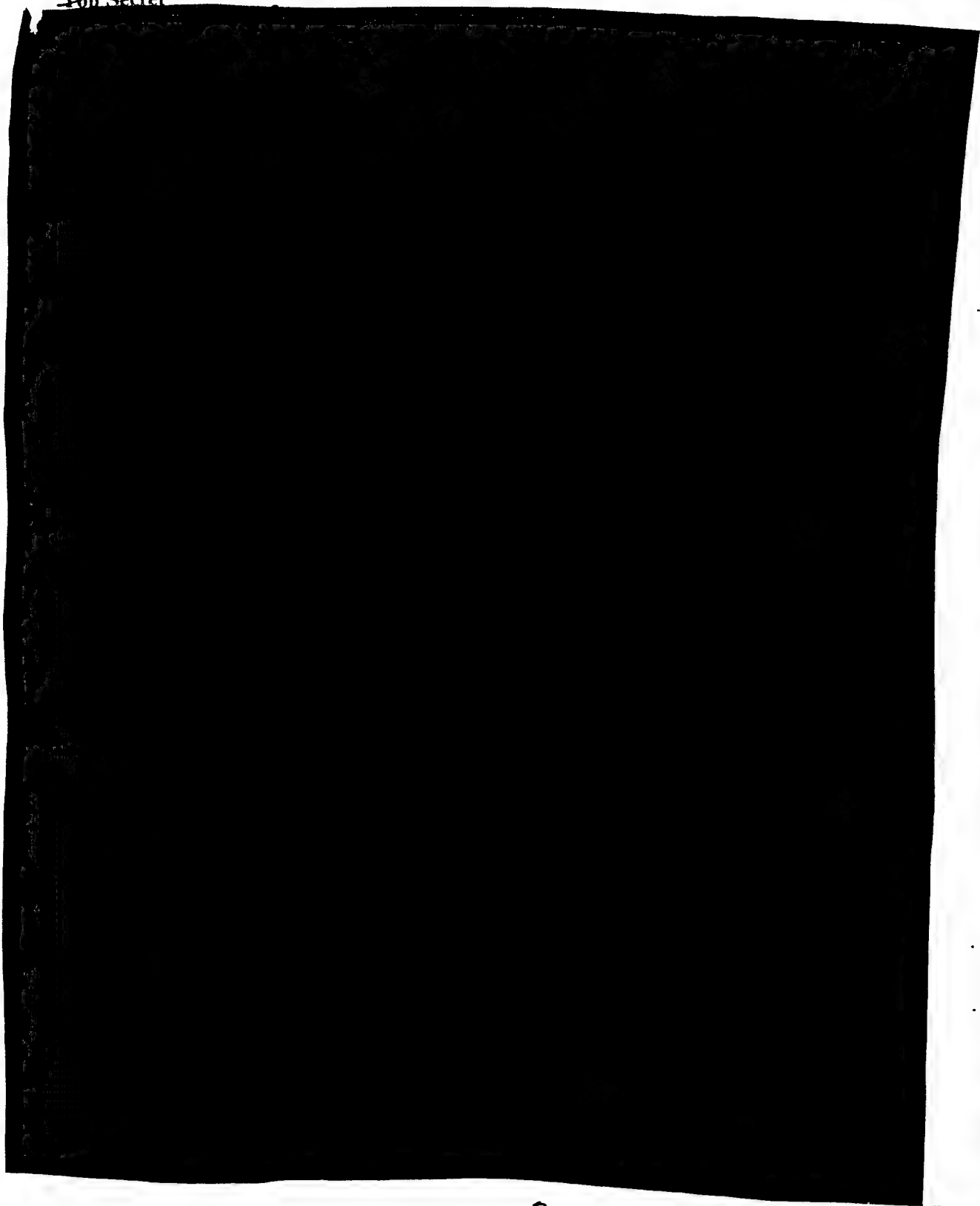
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#### KUWAIT-OPEC: Expanding Oil Refining, Marketing Abroad

Kuwait's recent purchase of Mobil Oil Italiana is part of its own push—and that of several other OPEC members—to acquire substantial refining and marketing facilities in the US and Europe.



[REDACTED] Kuwait and five other OPEC members are acquiring refining and marketing facilities in consuming countries, but their purchases will remain a small share of the petroleum industries in most Western countries. Such acquisitions, which are concentrated in the US and Western Europe, will have minimal impact on the oil market and probably will improve energy security. The purchase of Mobil's Italian operations will enable Kuwait to market nearly two-thirds of total exports as refined products or as crude to its own refineries. The overseas petroleum facilities also will let it take advantage of the current surge in refining profitability and may give KPC a firm foothold in the East European market. [REDACTED]

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#### AFGHANISTAN: Drug War Lord Assassinated

Mullah Nasim Akhundzada, well-known drug lord and the most powerful resistance commander in Helmand Province in southern Afghanistan, was killed Sunday by unknown assailants after meeting with the leader of his Harakat-i-Inqilab i-Islami party, Nabi Mohammadi, near Peshawar, Pakistan. Nasim was a member of a 14-member commission instrumental in establishing the Afghan interim government last year but has been militarily inactive against the regime for over a year. He banned poppy production in northern Helmand last fall in the expectation of US economic aid, sharply reducing poppy cultivation. [REDACTED]

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[REDACTED] Nasim's ruthlessness, lack of ideological and religious commitment, and unbridled desire for power made him many enemies among rival commanders, some of whom have also been involved in the narcotics trade. His death, a setback for US counternarcotics efforts, is likely to spur fighting among his rivals in Helmand and almost certainly will encourage farmers to resume poppy cultivation on a wide scale this fall. [REDACTED]

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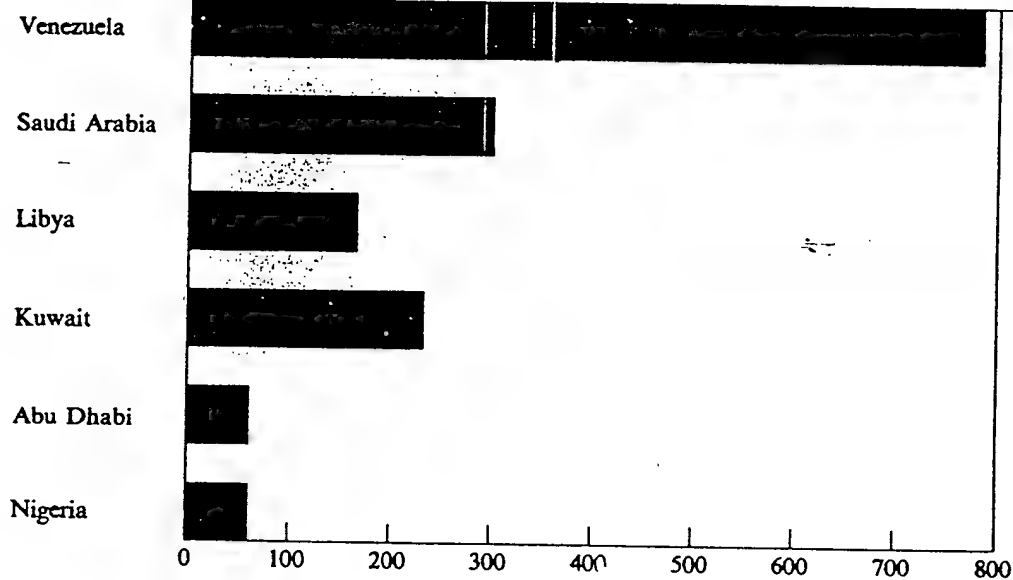
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### OPEC Refining Holdings in OECD Countries, 1989

*Thousand barrels per day*



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#### USSR-CUBA: Linking Arms Aid to US-Cuban Relations

Moscow's Ambassador to Havana said in an interview last week with the Western press that the Soviets and Cubans are discussing a reduction in Soviet military aid to Cuba but that such a move depends on improved US-Cuban relations. He said Havana still worries about a US invasion and stressed that, "The Cubans are our friends and you should help your friends."

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b3 [redacted] With the defeat of the Sandinistas, the Soviets see Cuba as the major remaining bone of contention with the US in Latin America, and they are likely to repeat their line that the level of Soviet military aid is linked to the state of relations between Washington and Havana. Regardless of those relations, however, the Soviets almost certainly will provide less military aid to Cuba over the five-year plan that begins in 1991 as they reduce their commitments to most Third World clients for domestic economic reasons. They will continue to push for improved US-Cuban relations, hoping to remove an irritant in US-Soviet ties, reduce economic pressures on Cuba, and ease Fidel Castro's concerns about waning Soviet support.

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#### GUATEMALA: Army Cool on Talks With Guerrillas

President Cerezo's approval of informal discussions in Norway this week between the government's national reconciliation commission and Guatemala's guerrillas is likely to spur military opposition to his administration.

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[redacted]  
The absence of an agenda and deep-seated suspicions on both sides dim prospects for progress. The guerrillas apparently see the talks as a means to gain political legitimacy, press Cerezo—whose clout is rapidly diminishing—and provoke the military to move against the government. Previous talks with the rebels have prompted at least one coup attempt, and this round of talks probably will intensify coup plotting by the military; it is already fuming over the probable nomination this month of Alfonso Cabrera, whom they believe is involved in narcotics trafficking, as the ruling party's presidential candidate.

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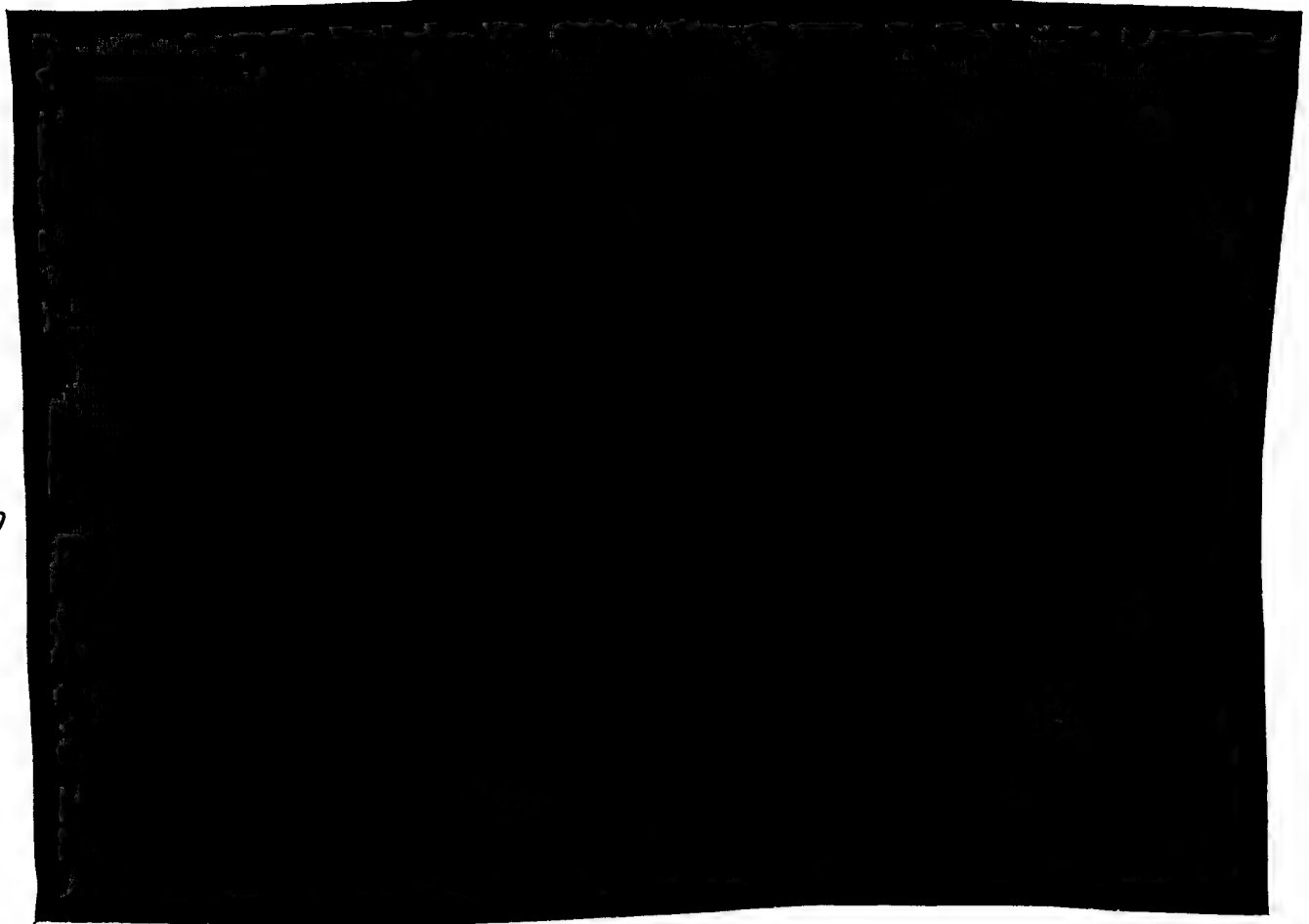
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### USSR: Youth Unemployment a Growing Concern

Cost-cutting reforms are causing young workers, primarily those under 18, increasing difficulty in finding and holding jobs. Enterprises that have implemented self-financing [redacted] are reluctant to hire such workers, who are entitled by law to full pay for a shorter workweek. Young workers also [redacted] are among the first to be released to cut costs. [redacted] "the problem of employing young people has never been as acute as it is now."

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b3 { [redacted] The approximately 8 million young workers in the USSR constitute nearly 5 percent of the labor force. Enterprise managers are required to employ a certain number of workers under 18, and the government raised student stipends last year to attract more young people to full-time study. Despite these efforts, the number seeking jobs remains high. Unemployment could make enough young people dissatisfied with the progress of *perestroika* to add to the country's increased social tension. [redacted]

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### USSR: Questioning Official Statistics

b1, b3 { State planning chief and Politburo member Yuriy Maslyukov [redacted] the USSR's real economic growth may have been negative last year and probably will be this year. His assessment contrasts with the Soviet statistical agency's estimate of 3-percent growth in 1989. [redacted] based on Soviet data suggest that the economy grew slightly last year but at a rate much lower than officially claimed. [redacted]

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b3 { Last year President Gorbachev ordered the State Planning Commission to produce more reliable measures of economic growth. Three alternative estimates were constructed; all showed positive growth in 1989 but substantially less than the original estimate. Maslyukov apparently is still not satisfied. Gorbachev could use the more alarmist numbers and official estimates of a decline in industrial output during the first two months of this year to argue for more radical economic reforms. [redacted]

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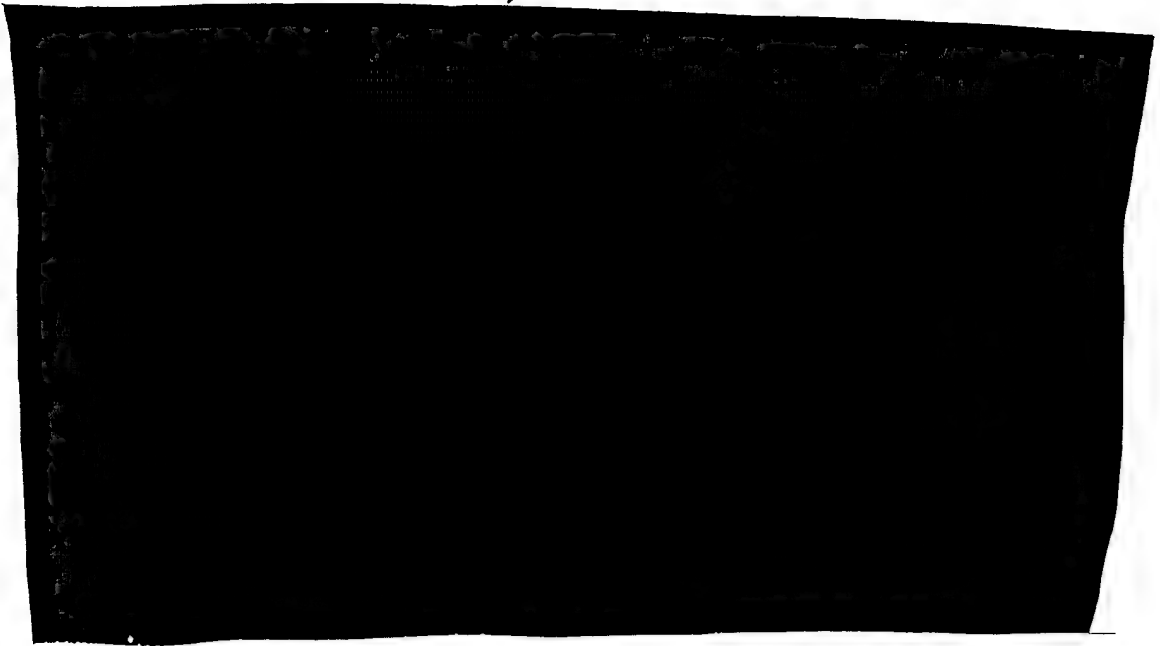
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## In Brief

### USSR

— Two added to USSR Presidential Council yesterday were on list TASS carried early Sunday but not on "corrected" list broadcast same day ... designees may have been reluctant to accept positions ... both Gorbachev partisans. [REDACTED]

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— Soviet Communist Party in Stavropol' abolished district party committees, as Gorbachev authorized this month ... other cities certain to follow ... national leaders probably hope eliminating local bureaucracy will improve party's image, efficiency. [REDACTED]

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### Americas

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— Peru's dollar reserves nearly exhausted, down to about \$150 million from \$600 million last November ... may sell gold reserves, further curtail imports to increase cash reserves before 8 April election. [REDACTED]

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### Europe

— Hungary's first-round election results still incomplete, 80 percent of vote tallied ... Democratic Forum holds edge over Free Democrats for 152 seats likely to be decided this round ... Smallholders distant third. [REDACTED]

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— Prime Minister Mazowiecki's promise to help Soviet Jews emigrate to Israel reflects personal desire to help and effort to improve Polish image ... probably hoping limited role will prevent Arab economic, terrorist retaliation. [REDACTED]

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— Czechoslovakia said Thursday it will leave CEMA exchange rate pact ... follows recent suspension of trading in East German, Hungarian currencies ... may refer only to noncommercial accord to stop influx of "tourist shoppers." [REDACTED]

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— West German Christian Democrats, helped by allies' strong showing in East Germany, nearly outscored Social Democrats in local elections in Schleswig-Holstein Sunday ... seeking edge for crucial Lower Saxony state election in May. [REDACTED]

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Africa

- Liberian dissidents escalated attacks in north last weekend, hit US rubber plantation . . . plantation suspended operations, US Ambassador urging US citizens to evacuate area . . . fighting jeopardizes food relief efforts to have begun today.

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- South African police blame ANC for bombing two government facilities Sunday . . . mavericks opposed to dialogue may be responsible . . . Pretoria playing down, apparently to avoid disrupting coming talks with ANC.

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Middle East

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- Soviets have delayed opening trade office in Tel Aviv . . . Moscow claiming Israel currently lacks established government, probably trying to contain Arabs' anger over Jewish emigration issue.

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East Asia

- Taiwan banks' net foreign currency sales up 60 percent this year over 1989 total . . . attributed to political turmoil, deteriorating investment conditions . . . likely to intensify calls for currency depreciation, retrenchment on trade liberalization.

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## Special Analysis

### AFGHANISTAN: After the Coup

*Although President Najibullah survived the coup attempt this month, his regime remains divided and weakened militarily. The infighting raised insurgent morale, but the guerrillas remain unprepared to oust Najibullah quickly.* [REDACTED]

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Najibullah has moved to reduce tensions in the Communist party and to project strength, but the longstanding Khalq-Parcham animosity persists, intensified by fighting in which even Kabul has acknowledged hundreds died. Painstaking attempts abroad to portray Najibullah as a stable force and a peacemaker have also been undermined by the coup attempt. His position remains dependent on the loyalty of his security troops in Kabul. [REDACTED]

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The coup attempt may have reduced Najibullah's ability to defend isolated garrisons away from the Kabul-USSR highway. Kabul's physical defenses largely survived the attempt, as did its artillery and tanks, but the regime's military organization and the Air Force have been damaged. [REDACTED]

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Losses of aircraft and pilots during the rebellion will reduce the Air Force's operational capability, at least in the near term. Although the Soviets can replace the aircraft quickly, losses of pilots will tax the Air Force's ability to support outlying garrisons like Khowst. The Defense Ministry has restricted combat flights because of doubts about the loyalty of the remaining pilots, further degrading the Air Force's effectiveness. [REDACTED]

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Morale among Army personnel remains fragile, and defections by officers probably have reduced combat effectiveness. [REDACTED]

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### Mixed Blessings for the Resistance

Insurgent morale and determination probably have been buoyed by the coup attempt. Many insurgents ignored the ban by the Afghan interim government on attacking Jalalabad, and [REDACTED]

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[redacted] a new assault is about to begin there. [redacted] mounting insurgent pressure on Khowst, Herat, and Qandahar since the coup. Some commanders, however, have refused to conduct new operations, fearing that they would ultimately help fundamentalist Hizbi Islami leader Gulbuddin Hikmatyar come to power in Kabul. [redacted]

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The coup attempt has widened the gaps between resistance leaders, further exposed the disorganization of the insurgents' interim government, and may have killed hopes for convening a successful national *shura* (council). [redacted]

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The AIG also has lost all international credibility because it failed to exploit the coup. Pakistan and Saudi Arabia will continue to push for Najibullah's removal but may look beyond the AIG in seeking a settlement. [redacted]

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#### Outlook

Neither the regime nor the resistance appears capable of decisive action. Party factionalism will sharply limit Najibullah's options; the AIG may collapse under the burden of its poor showing in the crisis and its distrust of Pakistan. Islamabad will increasingly look to the US and Saudi Arabia in its search for a settlement, and insurgent commanders will begin to develop their own political structures within Afghanistan. [redacted]

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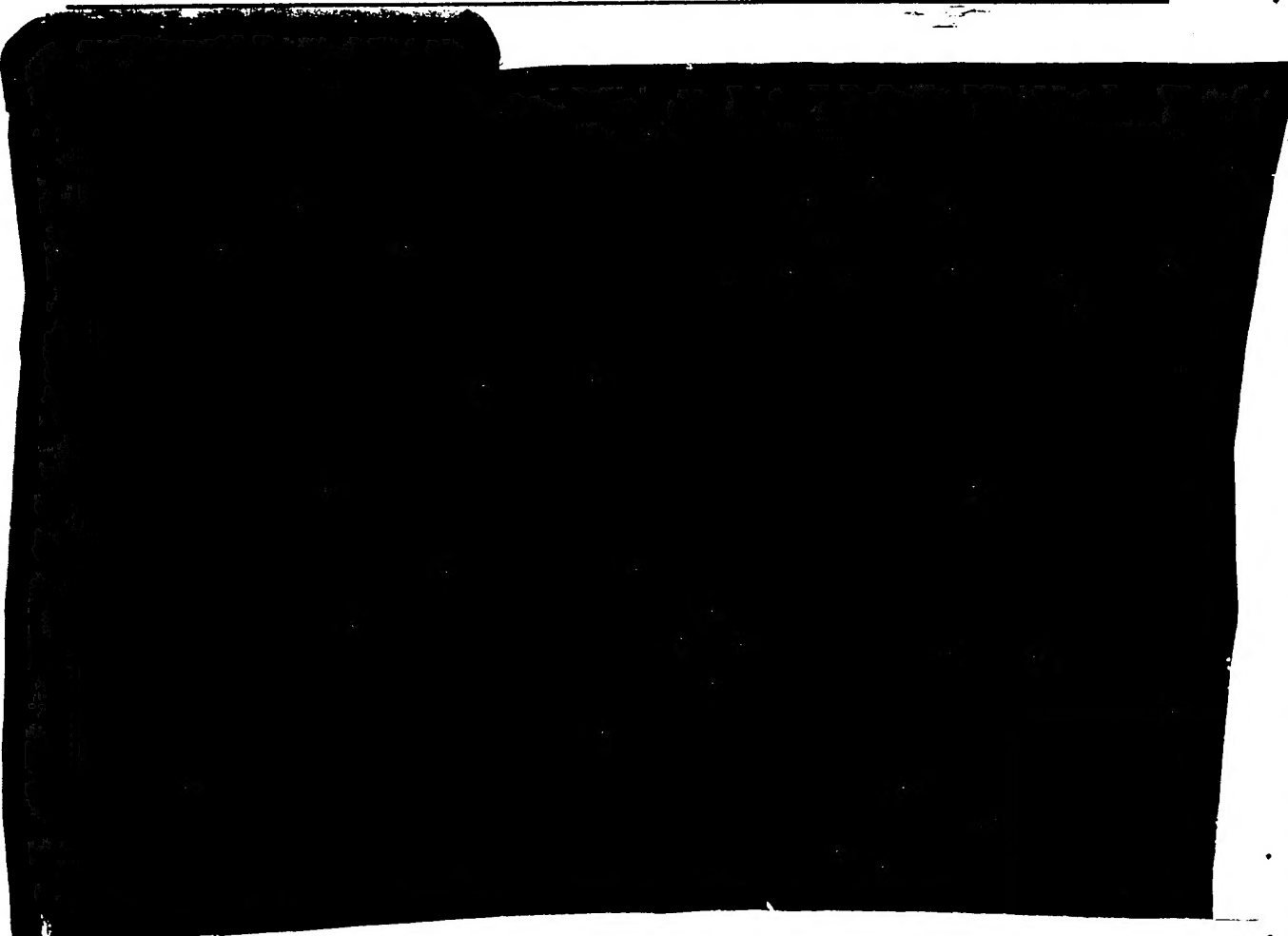
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### Special Analysis

#### EL SALVADOR: Outlook for Foreign Support to FMLN

*The absence of a friendly regime in Managua will greatly impair the Salvadoran insurgents' resupply operations, but Cuba and Sandinista loyalists in Nicaragua almost certainly will try to continue providing the FMLN munitions and other support.*

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Fidel Castro almost certainly will remain committed to supporting the Salvadoran rebels. Cuba may try using merchant ships or smaller boats to ship supplies to Honduras, Guatemala, Mexico, or Belize, where cargo could be transported overland to El Salvador. The FMLN, with Sandinista assistance, already smuggles supplies by land through Honduras; shipment of arms through Guatemala and Mexico has been periodically over the past several years.

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Direct shipments from Cuba are not likely to make up the shortfall in deliveries from Nicaragua after 25 April. Using merchant ships would require secure port facilities, front companies, and the availability of ships not suspected of being arms carriers. Maritime deliveries, moreover, may draw the attention of US antinarcotics patrols.

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The FMLN's decision in 1988 to refit many units with East Bloc weapons has made it even more dependent on external resupply. In the short term, however, the rebels can sustain low-level fighting or even attempt a larger scale campaign if they manage to stockpile enough munitions before 25 April.

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